

Department of History, Arts and Libraries

1. Given the current budget situation in the state, how would you justify spending for arts grants, preservation of historical documents, buildings and other artifacts that support Michigan's heritage in the face of other budget cuts to programs like education, public health and environmental quality?
2. Please outline your budget priorities for your department.
3. Do you have any ideas on how to make your department less dependent on General Fund revenues?
4. Do you support the current practice of differential funding for libraries?
5. Do you support a prohibition of billboards and other commercial signage in and around historical districts in Michigan?
6. In the event of reduction in funding for cultural art grants, how would you envision supporting local arts programs?
7. Are you concerned with the dramatic increase in development on Mackinac Island? Should the state limit the amount or type of development in an effort to preserve the historical nature of an area? And if so, what boundaries would you set to limit such growth?
8. One of the many outstanding attributes of Michigan is our healthy tourism industry. Michigan has an abundance of historical landmarks that attract many tourists into the state. How would you use some of our historical landmarks in order to increase our tourism industry?
9. Many historians believe that an individual can understand another culture through their art. Children especially can gain a greater appreciation of their own state and the culture of others through exposure to art. What educational art programs would you promote for Michigan's children?

MICHIGAN DEPARTMENT OF HISTORY, ARTS AND LIBRARIES

Senate Confirmation Hearing

Dr. William M. Anderson, Director

1. **Given the current budget situation in the state, how would you justify spending for arts grants, preservation of historical documents, buildings and other artifacts that support Michigan's heritage in the face of other budget cuts to programs like education, public health and environmental quality?**

Unquestionably all of us place immeasurable value on food, shelter, security, transportation and health care. These are the basics that we can't live without. Yet our state and nation are driven by a greater ambition for the fruits of our labors, enterprising spirit and creative abilities. All of us are seeking a life of fulfillment, inspiration and joy. HAL's programs feed the soul-and it is in hard times that the soul most needs nourishment. Our programs build pride in community and state, as well as personal pride. Connecting to the past can help us rise above the difficulties of the present.

Beyond this, we are education, information, environmental quality and economic development. The artifacts, documents and buildings are only tools. The ends we serve are better education, a stronger tourism economy, and preservation of open land and the environment through city revitalization.

Real Value

- *The economic impact of the profit and non-profit arts and culture industry in Michigan in 2001 was \$46 billion.*
- *25 new jobs are created for every \$1 million spent in historic preservation second only to hospitals when new construction creates 26 new jobs for each \$1 million spent.*
- *Michigan Council for Arts and Cultural Affairs grantees leverage \$300 million in local matching funds each year.*
- *Hotel, sales and income taxes that are generated annually by Mackinac Island State Park and museums far exceed the amount of general fund dollars appropriated for their use.*
- *Through the Michigan eLibrary, the State Library pays the licensing fees to make 60 databases, 7,000 periodicals, 131 newspapers and 13,000 books available online to every Michigan resident. This is a collective savings of more than \$128 million to libraries had they purchased these resources individually.*

Children who struggle to read can find and express the joy of learning in listening, talking, writing songs, and drawing pictures based on their visual and aural museum experiences. The final project for one of our BIG History Lesson classes was for each child to bring an artifact from home that told something special about their life and connected to something in the museum. One child held up a trophy from a pine wood derby and said, "Not many good things have happened in my life. But this is like the Civil War soldiers' medals we saw - it reminds me of something I did that I am proud of."

Cultural tourism represents a significant economic development and community revitalizing opportunity for every community in Michigan. Research has documented that cultural tourists stay longer and spend more money.

Every adaptively reused urban building represents material that is not in a landfill, gasoline emissions not in the air from driving further and further to the suburbs, and farm fields and forests that are not replaced by commercial and housing developments.

The small investment the Michigan Council for Arts and Cultural Affairs makes in communities each year through arts and cultural grants is far exceeded by the matching dollars those communities leverage. But perhaps more important is the long-term impact that a small investment has on each community. During the past 18 months, I traveled thousands of miles visiting communities all over the state seeking to build new relationships and increase my awareness of history, arts and library resources and opportunities to enhance quality of life. On every visit, local people expressed gratitude for arts and culture grants and wanted me to know how they had used those funds. I distinctly remember my visit to Holland and Mayor Al McGeehan's response to a leading question during a press conference. In essence he said: We didn't invite Dr. Anderson here to ask for money but for him to experience and see the significant impact that arts and culture grants have had in our city and to hear our appreciation. Or where else in state government, for an investment of \$150,000 over two years, can you impact a community perhaps for decades? That is the case in East Tawas where the Michigan Council for Arts and Cultural Affairs helped the community take an older church building and create a new theater that has become the heartbeat of the community.

Mackinac Island State Park is a key tourism destination not only in Michigan but also for the Midwest. While general fund dollars support maintenance of the roads, trails and other free areas of the parks, the museum programs are self-supporting through admission fees, grants, contributions and earned revenues. The combined park and museum system attracts almost 1 million visitors each five-month summer season, and is a key contributor to the tourism economy of the region and state. Hotel, sales and income taxes that are generated by these major tourist attractions far exceed the amount of general fund dollars

appropriated for their use. The economic case for support of these premiere state facilities is very strong, even without considering the obligation that the state has to care for these national treasures.

Arts and culture, historic preservation and cultural tourism are significant contributors to the economy of Michigan. The State of Michigan invests \$22 million of its \$39 billion budget, in Michigan's arts and cultural industry. It has a very large and impressive economic impact. The Center for Arts in Public Policy at Wayne State University has documented an overall economic impact for the arts and culture industry, both for-profit and not for profit to be over \$46 billion in 2001, representing over 28,000 businesses. The return on the investment the state makes in arts and culture is clearly evidenced when one compares the arts industry to others in Michigan. This same Wayne State University study demonstrated that the arts and culture industry ranks higher than construction, health services, utilities and real estate in total annual economic value. Also, in a paper released this summer entitled "The Role of Arts in Economic Development," the National Governor's Association cited a recent survey of 1,200 hi-technology workers which stated the second most important factor in attracting workers to a new job was community quality of life. These are the workers who we will need to attract and retain if Michigan is to be competitive. These workers are creative and educated and they will seek out creative and educationally rich environments to live and to do their work.

Historic preservation is yet another important contributor to the economy. Again based upon research completed by third-party consultants, we have documented that 25 new jobs are created for every \$1 million spent in preservation, second only to hospitals when new construction creates 26 new jobs for each \$1 million invested.

Historic districts increase property values: In Grand Rapids, the Heritage Hill Historic District has appreciated almost twice as fast as comparable non-designated neighborhoods since 1974.

Travel Michigan has engaged Michigan State University to complete an economic impact study of museums in the state, the results of which are expected by spring. This will provide well-documented information on the actual value of museum experiences to Michigan's second largest industry - travel and tourism.

On January 14, 1942 and in the horrific wake of the Japanese attack on Pearl Harbor, the commissioner of baseball wrote to President Franklin Roosevelt asking whether, given the world crisis, major league baseball should cancel its season. President Roosevelt responded the following day writing in part: "I honestly feel that it would be best for the country to keep baseball going. There will be fewer people unemployed and everybody will work longer hours and

harder than ever before. And that means that they ought to have a chance for recreation and for taking their minds off their work even more than before."

We know there will be budget cuts in all departments but the programs and services provided by this department and its constituent organizations provide are hardly a luxury.

2. Please outline your budget priorities for your department.

Our budget priorities are:

1. Programs and services that impact learning
2. Programs and services that revitalize communities. Historic preservation, our partnership in the Michigan Main Street Project and fostering arts organizations in central business districts are strong examples.
3. Programs and services that enhance tourism
4. Providing critically important matching grant funds that local communities leverage. MCACA grantees leverage \$300 million in local matching funds each year.

3. Do you have any ideas on how to make your department less dependent on General Fund revenues?

We are constantly seeking new ways to be resourceful and enterprising. Several of our agencies make heavy use of volunteers who serve as docents and guides, operate museum stores, have friends groups and foundations that raise funds from private sources. The Library of Michigan will complete the construction of a new Rare Book Room greatly increasing the use of its collection and totally financed by its foundation through private sector fund raising.

We are constantly looking for new grant opportunities. The MCACA's recent receipt of a \$90,000 Challenge America/National Endowment for the Arts grant, \$97,500 privately raised for the National Assembly of State Arts Agencies annual conference held in Detroit this past October, and our nearly \$700,000 partnership grant from the National Endowment for the Arts are all excellent examples of this resource garnering strategy.

The Michigan Film Office is hoping that the new Michigan Film Office Advisory Commission will be able to generate private funds to cover at least any new travel, new programs, and perhaps even the production guide costs in the future.

In our short 18-month life, we have achieved operational efficiencies and have demonstrated that we can do more with less.

4. Do you support the current practice of differential funding for libraries?

By providing funding to guarantee the preservation and access of the valuable resources of the Detroit and Grand Rapids Public Libraries, we support "differential funding" to these libraries. An attachment illustrates the value of these unique resources.

5. Do you support a prohibition of billboards and other commercial signage in and around historical districts in Michigan?

The department has not been involved in this issue; however, we have met with the Department of Transportation and achieved some positive results affecting improved directional signage for libraries.

6. In the event of reduction in funding for cultural art grants, how would you envision supporting local arts programs?

Arts and cultural grants represent partnerships between the state and local communities. All MCACA grants support local programming.

MCACA funded organizations; from Henry Ford Museum and Greenfield Village to the Upper Peninsula Children's Museum are all "local" arts programs, vitally important to their communities. A substantial cut to MCACA programs would have a devastating and far-reaching impact on organizations, schools, after-school programs, cultural tourism and community life. This is a granting process where the local communities come to MCACA asking for grants to fill their community's need.

The arts and cultural community have learned how to be resourceful. They have learned the art of leveraging private support from a wide array of sources, but the events of 9-11-01 and the weakened economy have had a significant impact on these sources. Private funders such as foundations are not only spending their dollars differently but also have far less to spend. As stewards of the cultural health and well being of our state, we cannot expect the private sector to replace state support for arts and culture.

7. Are you concerned with the dramatic increase in development on Mackinac Island? Should the state limit the amount or type of development in an effort to preserve the historical nature of an area? And if so, what boundaries would you set to limit such growth?

For a decade the Mackinac Island State Park Commission (MISPC) has been greatly concerned with the pace of development on Mackinac Island and has taken steps to protect the historic and natural character of the park. It must be remembered that all development taking place on Mackinac is taking place on private land that is under the jurisdiction of the City of Mackinac Island and not the MISPC. MISPC holds 76 percent of the land on the island, leaving 556 acres that are developed or developable. This does not mean however that no

protection has been possible, in fact the Commission has an extraordinary record of success and accomplishment. Since 1994 the Commission has secured grants, donations and contributions from diverse sources toward the goals of:

- Protecting major natural features such as Brown's Brook and Sunset Rock
- Protecting the scenic beauty along M-185 and other road and trail views
- Protecting remaining large parcels
- Securing in-holdings surrounded by park land

Since 1994 the Commission has successfully protected 4,788 feet of lake frontage – nearly one mile totaling 22.22 acres – with conservation easements, development rights acquisition and similar measures. Two million dollars in Michigan Natural Trust Fund grants were obtained and utilized for land protection. Almost \$700,000 was secured in federal Transportation Enhancement funds. Foundation grants and outright donations of land and easements were obtained, working in partnership with other conservation groups including the Little Traverse Conservancy. There remains a number of priorities to address, and the Commission is actively pursuing all possible means to protect the scenic and natural beauty, and historic character of Mackinac Island and the Straits region.

8. One of the many outstanding attributes of Michigan is our healthy tourism industry. Michigan has an abundance of historical landmarks that attract many tourists into the state. How would you use some of our historical landmarks in order to increase our tourism industry?

The potential is great. We are working with numerous historical, arts and cultural organizations to create destination attractions. Through the Auto National Heritage Area featuring the Motor Cities, the Freedom Trail Commission, the Keweenaw National Park's emphasis on mining history, the Michigan Museums Association tourism initiative, the Summer of Sports and our own Maritime Heritage project, we are working with our colleagues to join Michigan's unique stories and its cultural resources in Travel Michigan's Web-promoted packages that draw cultural tourists to Michigan. We view this opportunity broadly involving a wide range of cultural institutions and historical sites and museums. The very cultural institutions supported through HAL programs, the Public Museum of Grand Rapids - 600,000 people benefiting, the Detroit Institute of Arts - 800,000 people benefiting, the Grand Rapids Symphony - 155,000 people benefiting, Henry Ford Museum and Green Field Village - 1.5 million people benefiting serve as primary destinations for visitors who then visit other "historical landmarks."

Visitors have multiple interests and regardless of their affinity for lying on a Lake Michigan beach on a beautiful sunny July day, they are not going to remain in that environment all day and evening. They are drawn to other cultural amenities. Many of these other enriching experiences are weather proof and are open at night and if we are smart, Michigan communities will develop and learn

how to package its natural and cultural resources and effectively extend the visitor season. Adding just two weeks to the visitor season is a major economic gain for many small businesses and communities.

9. Many historians believe that an individual can understand another culture through their art.

British art critic John Ruskin wrote, "Great nations write their autobiographies in three manuscripts: the book of their deeds, the book of their words and the book of their art. Not one of these books can be understood unless we read the two others, but of the three the only trustworthy one is the last."

MCACA has 12 granting programs. Three of these are education specific and each and every one of the programs contain an educational component. One example of our educational efforts is our newest program The BIG Culture Lesson.

The Big Culture Lesson Program will introduce teachers and students to Michigan's diverse artistic and cultural resources and generate sustainable models and arts integrated curriculum that can be shared with schools and districts. Funding for this program is provided by MCACA and a grant from the National Endowment for the Arts' Challenge America Program. Projects will be funded through this program throughout the state.

As one of the Council's established goals, education within MCACA programs serves to foster the understanding our children will need to function in a global environment.

But what does that mean? If the events of the last two years have taught us anything, it is that we need to double or treble our efforts to understand those living in the Middle East or Asia or other corners of our world. Communication and understanding are perhaps the true beauty of the arts. MCACA works as conveners in non-traditional venues... through funded projects difficult topics are discussed in Michigan's communities... funded projects show and validate diverse art forms of diverse cultures... MCACA funded projects celebrate differences. In other words, these projects and programs are truly invaluable educational tools, far beyond the walls of any school.